

DEC 17 2002

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

FILED

| | | |
|-----------------------------|---|------------------|
| STATE OF NEBRASKA |) | |
| DEPARTMENT OF INSURANCE |) | CONSENT ORDER |
| |) | |
| PETITIONER, |) | |
| |) | |
| VS. |) | |
| |) | CAUSE NO. A-1486 |
| ROBERT ALEXANDER ALBANO AND |) | |
| THE RESOURCE COMPANY, |) | |
| |) | |
| RESPONDENTS. |) | |

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Linda R. Sanchez-Masi, and Robert Alexander Albano and The Resource Company ("hereinafter collectively referred to as Respondents") mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondents pursuant to *Neb.Rev.Stat.* §44-101.01, §44-4059 *et seq.*
2. Respondent Robert Alexander Albano ("Respondent Albano") is a licensed resident insurance producer, and Respondent The Resource Company ("Respondent Company"), is a licensed insurance agency. Respondents have been subject to the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a Petition and Notice of Hearing styled State of Nebraska Department of Insurance vs. Robert Alexander and The Resource Company on November 13, 2002. A copy of the Petition and Notice of Hearing

were served upon the Respondents in care of their attorney, Michael C. Washburn, by certified mail, return receipt requested.

2. In the Petition it is alleged that Respondents have violated Neb. Rev. Stat 44-4059(l)(b) and (h) as follows:

- (a) Respondent Company operated a self funded health program which covered its employees and those employees employed by the company through its co-employment relationship with its clients.
- (b) Respondent Company has utilized licensed agents to market a health benefit plan. They are listed as follows: Tim Heuertz (employee of The Resource Company), Gayle Herold (employee of The Resource Company), Troy Shreve, Troy Burkey (relationship severed in early 2002), Mike Hall (relationship severed in early 2001), Larry Hall (relationship severed in early 2001), Glen Reische (relationship severed in early 2001),
- (c) Respondent Company did not apply for a certificate of registration under Neb. Rev. Stat. 44-7609
- (d) Respondent maintained the following stop loss insurance policies:

| Period | Company | Amount |
|-------------------|--------------|----------|
| Nov 1999-Oct 2000 | Conseco | \$10,000 |
| Nov 2000-Oct 2001 | Clarendon | \$10,000 |
| Nov 2001-Oct 2002 | Pan American | \$25,000 |

- (e) Respondents provided participants in the health plan less than one week to obtain alternative health insurance coverage when Respondents determined it would terminated its health benefit plan; and
- (f) On or about October 29, 2002, the Director issued to Respondents a Cease and Desist Order and Order to Produce Information. In the Cease and Desist Order, the Director found that Respondents were engaging in financial practices that made any further transaction of business in this state hazardous or injurious to its participants, covered employees and the public. Such Orders are attached hereto and marked Exhibit "A".

3. Respondents were informed of their right to a public hearing. Respondents waive that right and enter into this Consent Order freely and voluntarily. Respondents understand and acknowledge that by waiving their right to a public hearing, Respondents also waive their right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondents admit the allegations contained in the Petition and restated in Paragraph #2 above.

CONCLUSIONS OF LAW

Respondents' conduct as alleged above constitutes a violation of *Neb.Rev.Stat.* §44-4059(b) and (h).

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Respondents, Robert Alexander Albano and The Resource Company, that Respondents consent to the revocation of their insurance producers' licenses and that they agree to surrender their licenses to the Department of Insurance immediately. The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling Respondents or the Department to make application for such further orders as may be necessary.

In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing their signatures below.

Linda R. Sanchez-Mari

Representative for Nebraska
Department of Insurance
941 "O" Street, Suite 400
Lincoln, NE 68508
(402) 471-2201

December 13, 2002

Date

WDA

Respondent

12/6/02

Date

WDA

President THE RESOURCE COMPANY

Respondent

12/6/02

Date

[Signature]
Attorney for Respondents

12/10/02

Date

State of Nebraska

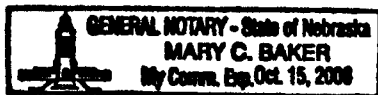
)

) ss.

County of Douglas

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On this 6th day of December, 2002, Alex Albano personally appeared before me and read this Consent Order, executed the same and acknowledged the same to be his voluntary act and deed.



Mary C. Baker
Notary Public

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of *State of Nebraska Department of Insurance vs. Robert Alexander Albano and The Resource Company*, Cause No. A-1486

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

L. Tim Wagner
L. TIM WAGNER
Director of Insurance

12/17/02
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Consent Order was served upon Respondents by mailing a copy by certified mail, return receipt requested to their attorney, Michael C. Washburn, at Erickson & Sederstrom, 10330 Regency Parkway Drive, #100, Omaha, NE 68114, on this 17 day of December, 2002.

Stacy M. Bruefunkt